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Coverage  
United Kingdom  
Theme  
Labour Market

## Labour force projected to reach 32.1 million in 2020

### Labour Market Trends January 2006

The UK labour force is projected to continue growing and reach 32.1 million people in 2020, on the basis of current trends, according to an article in the January *Labour Market Trends*, published today. This is a 6.7 per cent increase on the 2005 figure of 30.1 million.

From 2006 to 2015 it is expected that the largest contribution to growth will come from changes in the age composition of the population. From 2016 onwards, however, labour force growth is likely to be driven mainly by increases in the proportion of the population who are economically active.

It is expected that the number of people remaining economically active above pension age will increase – the number of over-65s still economically active will increase from 582,000 in 2005 to 775,000 in 2020. Overall, the economic activity rate for working-age people is projected to increase from 78.5 per cent in 2005 to 79.8 per cent in 2020. The rate for men changes very little, but that for women is expected to increase from 73.4 per cent to 76.1 per cent (on the current definition of working age).

The most significant demographic trend affecting the labour force over the next 15 years is expected to be a 23.5 per cent increase in the number of people aged 50 and over. This is a combined effect of the overall trend towards higher life expectancy as well as the transition of the 'baby boom' generation to the 50 and over age group. By contrast, the number of people aged between 16 and 24 will fall by 4.9 per cent.

The new projections, which replace earlier figures going up to 2011 published in 1998, are fully consistent with the monthly published labour market data and are in line with the most recent population projections published by the Government Actuary's Department (GAD).

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**\*Labour Market Trends Volume 114 No 1. For subscriptions and sales, tel: 01256 357893, fax: 01256 330688. Downloadable free at <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=550>**

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These projections are ONS's best estimates of the future labour force, based on current trends and GAD's central assumptions. Inevitably, there are uncertainties associated with such projections. Trends in activity rates may change, for example, in response to changing economic conditions and population projections may be subject, among other things, to changing trends in migration and life expectancy.

News and research items include:

- Revisions to workforce jobs
- Revised Labour Force Survey estimates
- Data on employment by occupation
- Labour market participation of older workers
- *Employment in Europe 2005*

## BACKGROUND NOTES

1. Projected economic activity rates, derived from econometric modelling, are applied to population projections (which are based on the projections from the GAD published on 20 October 2005) to produce the labour force projection figures. The population projections used are not exactly the same as the published GAD figures – in order to maintain consistency with the Labour Force Survey (LFS), the GAD resident population projections are adjusted to exclude the population of communal establishments not covered by the LFS sampling frame.
2. Working age is currently defined as 16-64 for men and 16-59 for women; however, during the period covered by the projections pension age will be equalised at 65 for both sexes, so that working age will become 16-64 for all persons.
3. An electronic version of *Labour Market Trends* will be downloadable on the National Statistics website at <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=550>
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